Building Wealth Through AI
and the Power of the Blockchain

AICOIN ICO

AICOIN is a tokenized investment pool that combines the pinpoint accuracy of Artificial Intelligence trading with the "Wisdom of the Crowd" to create substantial wealth for token holders.

AICOIN ICO

The Advantages of the Blockchain for Investment

Executive Summary

AICOIN is a passive investment vehicle that uses a strategy combining the pinpoint accuracy of Artificial Intelligence trading models with the "Wisdom of the Crowd" to generate a profit for coin holder / investors. The first part of the strategy uses AI models and First Global Credit's proprietary technology to optimise market positions taken actively trading the top cryptocurrency markets. The models take advantage of market inefficiencies by automatically executing trades 24 hours a day, 7 days a week. The ongoing profits generated from the AI directed trading are then used to finance investment in early stage companies focused on AI and public blockchain technology.

This dual approach provides significant advantages over conventional, single profit stream investment strategies. The AI models are adaptive, designed to adjust to changing market conditions in real-time, which allows them to exploit short-term market opportunities. This trading provides a constant flow of profits into the Investment Pool which will present five pre-vetted start-up companies to AICOIN token holders to vote on for potential investment. Since AICOIN is built on the ethereum blockchain, the functionality of the smart contract provides complete transparency and supervising control over the voting process.

Unlike traditional start-up focused funds, the AICOIN model creates a continuous profit stream that is in part, committed to investing in an ongoing string of public blockchain and AI start-up companies. This provides a significant advantage over the traditional model, where investors commit their available capital to a number of seed stage companies and then must wait for the companies to grow in value before some of the exits provide another round of capital for investment. If a surge in innovation arises while their capital is committed elsewhere, the investor will miss potentially significant opportunities.

INTRODUCTION

Advanced learning algorithms have largely been the domain of trading banks and hedge funds who use AI as part of a larger strategy that employs a variety of trading tactics. Their type of models react to split second changes in relationships between different markets. The spoils go to the banks with the fastest models and the fastest execution that can advantage of short term transient market inefficiencies. Because the markets traded are mature, the movements are usually minute, with huge transactions that drive correspondingly high profits.

On the other hand, cryptocurrencies are the brave new world of trading. The markets are relatively young and still very inefficient. It is not unusual to see bitcoins move 10% in a single day. In addition, due to size and potential regulatory conflicts, the cryptocurrency markets are largely shunned by established trading houses leaving the field open for dynamic young companies to take advantage of the opportunities in the markets. With market capitalisation ballooning (cryptocurrency market capitalisation has grown from $8.8bn to 80.6bn in the past year with no signs of a slowdown), the time is right for a dispassionate, self-learning trading engine to take advantage of an environment where less professional and less disciplined traders create many profit opportunities.

The efficacy of AI has already been proven. We now have AI being used in a range of supportive technologies from security to medical research, natural disaster prediction and agriculture. Deep learning models are utilized to predict consumer behaviour, traffic flow in urban centres, and Google's AI AlphaGo bested World Go champion Lee Sedol in four out of five matches last year, a feat that until very recently was considered impossible.

However, that only forms half of the AICOIN profit opportunity.

The Wisdom of the Crowd Model for Early Stage Investment: Impossible before the blockchain

Any investor who takes positions in early stage technology companies does so because the return on capturing an early stake in a massive breakthrough company can be enormous. They will also know that there are two major problems faced when trying to select companies for investment:

- Expertise. Any single investor has business areas they understand and other areas of gaps in their knowledge. VC funds have teams of analysts to vet companies while Angel investors generally make decisions alone. Even if an angel joins a syndicate to make early stage investments, the syndicate decisions usually rest in one pair of hands.
- Spread of Risk. Usually, capital is allocated to take positions in a number of business investments. But once the capital is committed, there is a period of several years until the opportunity arises for a profitable exit giving the investor new capital to invest.

The AICOIN Wisdom of the Crowd model provides a path to better business decisions:

- Expertise. The seed stage companies are presented to all token holders who can vote on their preferred of five investment options or choose to make no investment at all in the current period. By utilising the combined expertise of all token holders AICOIN draws upon a vast knowledge base, which as a group, has been shown in many studies to make better decisions than an individual or small group of decision makers.

The power of Both Models Combined

Every week 50% of the profit generated by the AI models will be funnelled into the Investment Pool for investment in early stage, seed companies.

By providing a regular stream of new capital into the Investment Pool, the power of the two models combined provide a significant advantage to token holders. The token holders have a continual stream of capital to invest. This means there will be funds available if a period of technological growth creates a cluster of new opportunities instead of losing out for a period of years waiting until a successful exit frees capital up for new investments.

ICO Vision

Our Vision for AICOIN is to bridge the divide between a conventional trading / investment company and a DAO without formal structure.

We recognise that to hold investments in other companies and hold assets with value this should be done within a framework that recognises and respects the rights of the investors.

Our long term goal is to become one of the most successful seed investors in the AI and Public Blockchain space, to support the adoption of public blockchain technology for the benefit of the world as well as the AICOIN token holders. While a bold vision – this is possible from a relatively modest starting point because of our unique two stage strategy.

Structure

Corporate Formation and Ownership

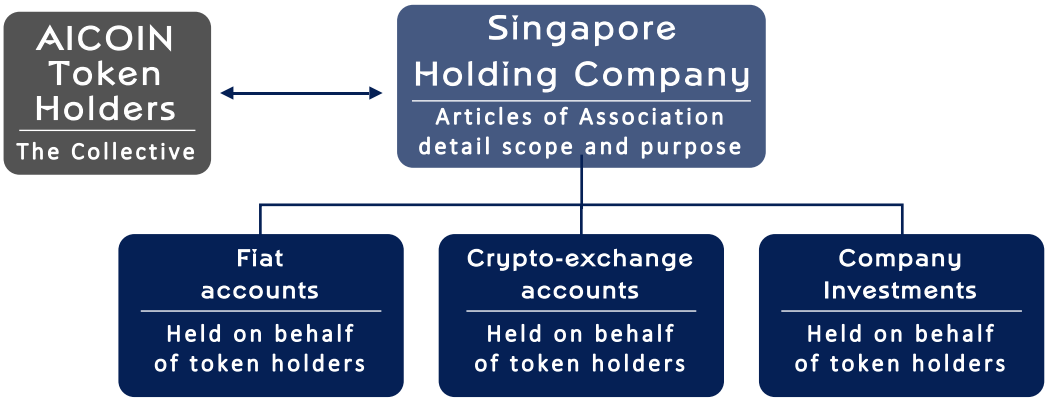
Twenty thousand dollars ($20,000) worth of bitcoins will be released to the AICOIN Management Team to pay for the formation of the Singapore Company plus associated bank account.

The Singapore Company purpose is to manage assets on behalf of AICOIN token holders and safeguard those assets. All assets managed by the Singapore company will be collectively owned by AICOIN token holders.

After this company is formed, 100% of the remaining assets will be transferred into the company to be used in the investment portfolio. A contract will be issued by the management company stating that its sole purpose is to provide a way to efficiently manage the assets for the collective benefit of the AICOIN token holders. This contract will assign the benefit of all after tax profits generated within the company after running costs and management fees to token holders. All the assets, be they capital, market positions or positions in start-up companies are to remain within the company for future asset growth and managed for the collective benefit of AICOIN token holders.

At the start of trading, the Company will allocate 100% of the funds (after the $20,000 formation costs) into the Coin Pool. The Coin Pool will be traded using the AI models outlined on the Ouraibot.org website.

Every week that the Coin Pool makes a new equity high (see below for the definition) then 10% of the New Equity High Profit is Paid to First Global Credit developers for the ongoing maintenance and enhancement of the AI trading models. 50% is paid across into the Seed Investment Pool (also held by the Singapore company,) 40% is retained within the Coin Pool to increase the funds available for trading.



HOW THE COIN POOL OPERATES

The Coin Pool is made up of subscriber capital that is 100% available for asset growth used both by the Coin Pool and Seed Investment Pool.

The operational rules of the Coin Pool are as follows:

- All fiat currency will be held in bank accounts under the Singapore company name or in authorised exchanges within accounts under the company name.
- All cryptocurrency balances will be held within authorised exchanges or within the company's own cold storage wallets.
- Where funds are held in cold storage, the wallets must be, wherever possible, multi-sig wallets. All private keys must be held securely at separate geographic locations. All authorised signing authorities must be located at separate geographic locations. No single authority to have access to all keys.
- Cryptocurrencies traded within the Coin Pool are expected to be BTC, ETH, ETC, ZEC, DASH, XMR, or XRP. A finalised list will be confirmed closer to the launch date. After the launch date no additional cryptocurrencies will be added to the trading list unless a blockchain vote confirms a majority of votes cast in favour of a change AND both the AI team and the First Global Credit Treasury Team approve the alteration.
- The list of authorised Exchanges the company can use will be published before the launch of trading. Additional exchanges will be added or removed after the initial launch based upon the assessment of counterparty risk by the First Global Credit Treasury Team.

HOW THE COIN POOL OPERATES [CONTINUED]

Fiat Currencies the company will be permitted to hold funds in are:

- SGD (Singapore Dollar)
- USD (US Dollar)
- EUR (Euro)
- CHF (Swiss Franc)
- GBP (British Pound)

Funds may not be held in other currencies unless a blockchain vote confirms a majority of token holders being in favour of adding a currency.

When the Coin Pool achieves new Profit, as calculated using New Equity High (see below) then:

- 50% of this new profit is paid across into the Seed Investment Pool.
- 10% of this new profit is paid to the AI development Group within First Global Credit for ongoing use and support of the AI models as a management fee.
- 40% of the new profit is returned to the Coin Pool to increase the value of the assets traded.

All calculations are carried out in SGD (Singapore Dollars) using midnight UTC rates every Friday. Where cryptocurrency is held this is first converted into USD using the rate of a published exchange and then this USD value is converted into SGD (Singapore Dollars) based upon the midnight FX rate published on a recognised data provider (primarily Bloomberg).

Calculating New Equity Highs Example

The starting High Equity Point for the Coin Pool will be the holdings of the funds converted into SGD using the midnight UTC rate from the first Friday after the launch criteria are fully met and the funds are available for trading.

The following example illustrates how the New Equity High calculation works.

For the purpose of this illustration, we will assume the Coin Pool starts at 2,000,000 SGD value.

At the end of week 1, assume the token makes a profit of 200,000 SGD. 10% will be paid to First Global Credit (20,000 SGD), 50% will be paid into the Seed Investment Pool. (100,000 SGD), 40% (80,000 SGD) will be credited to the Coin Pool for trading, making the total in the Coin Pool now 2,080,000 SGD. The Equity High Point is also 2,080,000 SGD.

Week 2, we lose 50,000 SGD, there are no payments to FGC and no payments to the Seed Investment Pool. The Coin Pool is now 2,030,000 SGD, the Equity High Point is still 2,080,000 SGD.

Week 3, we make another 200,000 SGD. At the end of week 3 we have a Coin Pool plus profit figure of 2,230,000 SGD – compared to the previous Equity High Point (2,080,000 SGD) we have a New Equity High of 150,000 SGD (2,230,000 – 2,080,000).

This 150,000 SGD is again distributed 15,000 SGD to First Global Credit, 75,000 SGD to the Seed Investment Pool, and 60,000 SGD into the Coin Pool.

At the End of Week 3, we have a Coin Pool of 2,140,000, an Equity High Point of 2,140,000, and an Investment Pool of 175,000 SGD.

How the Seed Investment Pool Operates

The Seed Investment Pool is the exciting part of the proposition. This is where token holders use their combined expertise to select seed investments in the fields of public blockchain and AI.

These long term investments will be held either as tokens (in the event of an ICO investment) or equity, convertible note of other investment type held by the Singapore based company for the benefit of token holders. Because there will be a company able to hold a stake in another company, we have the capability to make seed investment into other companies, expanding the potential pool of start-up acquisitions beyond other ICO cryptocurrency offerings.

The Operational Rules of the Seed Investment Pool are as follows:

- Prospects will present investment proposals to the Singapore company.
- The Investment Board will review all proposals and invite no more than 20 prospects to pitch to the investment board.
- The investment board will select the most promising 5 prospects to put forward to vote by the token holders. Note: - unsuccessful candidates will not be discarded, they may be put forward at a later vote but each vote will be limited to no more than 5 proposals.
- Successful proposals will provide (optional) a video presentation plus (mandatory) an executive summary, slide deck plus financials which will be made available to those token holders wishing to vote.
- There will be one vote per quarter and each token holder can vote for any of the 5 proposals or a 6th proposal (invest in none).

How the Seed Investment Pool Operates [continued]

- The company with the highest number of votes (votes are weighted by token ownership) will receive funding from the Singapore Company once full due diligence has been carried out.
- If the highest vote is “none” then no investment is made that quarter.
- The following quarter the selections can include any company overlooked once in the previous round. New companies and also any companies that scored higher votes than the “none” category can be presented again to token holders. Any company that receives less than the “none” category in the coin holder vote is permanently rejected.
- When a seed investment is ultimately sold then 10% of the profit (amount realised – amount invested) is paid to FGC for managing the investment process. 90% is re-invested back into the Seed Investment Pool.

The Investment Board consists of, initially, 5 members. Two of these members are appointed by the token holders, three by First Global Credit on behalf of the Singapore Company.

Every year there will be a vote to appoint a token holder to the investment board, the appointments will be for a 2-year duration. The first vote will be for a 2 year appointment and a 1 year appointment (the candidate with the highest support will gain a 2 year appointment, the lower support will receive a 1 year appointment). After this, each year will see one candidate being replaced, (the same candidate may re-apply).

Votes for the candidate will be weighted by the number of tokens held by the voter. We will provide an (Ask Me Anything) AMA session where candidates can present their case for investment and voters can ask questions.

AUDIT

AI TRADING AUDIT

One hundred percent of subscribed funds (after company formation costs) will be applied to cryptocurrency trading. These funds will be placed with exchanges and in secure wallet addresses that are fully transparent to token holders.

- All exchanges used for cryptocurrency trading must provide API access for trading and also have the capability to provide a read-only API to review account balances. The read-only API key will be published so that token holders can validate the balances held at the exchange.
- All cryptocurrency assets held outside of exchanges will be held at published addresses. These addresses will be made available so that coin holders can validate the funds held on their behalf by the company.
- All fiat assets held outside of exchanges will be maintained in bank accounts held in the holding company name. Funds held at these banks will be published on a daily basis.

At any moment in time, token holders will be able to validate the holdings of the entire Coin Pool to ensure assets and performance is reported accurately on a continual basis.

COSTS AND TAXES

The Singapore entity will pay tax on all profits generated within the company. In addition, all audit fees, running costs and expenses will be charged to the company.

These costs will be fully laid out as part of the quarterly audit report which will be prepared by an independent international accountancy firm who will audit all holdings and costs in both cryptocurrencies and fiat currencies.

AUDIT
TAKING PROFIT FROM AICOIN

The AICOIN is setup to build asset value for the benefit of AICOIN token holders. Some positions taken (such as the AI based trading) are short term while others (start-up investment) are much longer term.

To allow holders of AICOIN to realise some of their gains, we have made the token a tradeable asset on the Ethereum Blockchain. The token will be listed on a number of exchanges including First Global Credit, Poloniex and Bittrex (a full list will be provided closer to the launch date).

We expect the value of the AICOIN to reflect both trading profit from the AI models and a premium reflecting the anticipated value of the seed investments.

There will be a single issue of tokens, after the subscription is closed. New investors will need to purchase tokens in the Open Market. We believe this will create a demand for the tokens in excess of their asset value to reflect the ongoing performance achieved.

To ensure a liquid market for token holders to realise some of their gains we will release up to 10% of the Seed Investment Pool to purchase AICOINS at 5% below the current asset value of the token. We anticipate prices being higher than this level at all times but, in the event that any tokens are purchased, these will be offered back into the market at a price 20% higher than their purchase price.

These token sales will be for the benefit of the Seed Investment Pool and profits accrued from the difference between buy and sale prices will be returned to the Seed Investment Pool.

SUBSCRIPTION DETAILS

SUBSCRIPTION PERIOD

- Purchase Price. Each AICOIN token will be sold at a price of 0.01 bitcoin.
- Pre-subscription Period. The pre-subscription period commences on 19th June 2017 and continues until midnight UTC on Sunday 16th July 2017.
- Subscription Period. The formal subscription period will Commence on Monday 17th July and continue until midnight UTC on Sunday 28th August 2017.
- Early suspension of issue. In the event that the subscription raises sufficient funds before the end of the pre-subscription or subscription period then the offer will be suspended and no further investments will be accepted. The limit will be based upon the judgement of the First Global Credit team and will take into account the size of the investment compared to the ability of the underlying markets to absorb the trading size.
- Pre-subscription bonuses.
  - Investors purchase up to 200 AICOINS in the pre-subscription period will receive an additional 5% bonus AICOINS.
  - Investors who purchase between 200 and 1,000 AICOINS in the pre-subscription period will receive an additional 15% bonus AICOINS.
  - Investors who purchase over 1,000 AICOINS in the pre-subscription period will receive an additional 20% bonus AICOINS.
- No bonuses are awarded for investments made during the regular subscription period.

ACCEPTED COINS

- During the pre-subscription period, Investments may be made in bitcoin only.
- During the regular subscription period we will accept subscriptions in bitcoin, ethereum, ether classic, and litecoin. The coins will be sold at a subscription of 0.01 bitcoin, the conversion from the invested coin into bitcoin will be based on the midnight UTC rate at a designated exchange (full details before the subscription period commences).

SUBSCRIPTION DETAILS [CONTINUED]

COIN MANAGEMENT PROCESS

- During the pre-subscription and subscription period all payments are made into a designated wallet address provided for your use. This will be, where possible, a multi-sig wallet address. The funds will remain untouched in this wallet address until the trigger events occur.
- Trigger Event 1. When the subscription is closed to new investment then no further subscriptions will be accepted. Any new funds deposited into the receiving address will be returned to the originating address.
- Trigger Event 2. The successful subscribers will have their tokens distributed to their nominated wallet addresses.
- Trigger Event 3. $20,000 worth of BTC will be taken from the pool to pay for the Singapore company formation and contracts that have been previously prepared.
- Trigger Event 6. First Friday following ICO closing the starting valuation is calculated and the funds are released for trading.

TEAM

DEVELOPMENT TEAM

GAVIN SMITH

CEO First Global Credit

Risk Management/Product Specialist, AI Development Group

Gavin has a 25-year history in finance starting as a market maker at London's LIFFE Exchange. He has worked for a variety of banks and financial companies. Most recently before starting First Global Credit he was the global derivatives and hedging project owner for Trafigura, one of the world's largest metal traders. Responsible for developing a strategic roadmap for implementing hedging and derivative solutions within Trafigura globally, his responsibilities include a broad range of products including Metals, Oils, and Coal as well as FX and Interest Rate exposures across Trafigura globally.

LEE COOPER

Senior Developer

Lee has a 17-year history in development at the highest level. He also comes a background at Trafigura. Lee has a highly analytical and innovative mind. He is an enormously productive and competent developer who has the ability to scope out a software solution from problem definition through to client GUI interface.

ANDY TYNAN

Senior Developer

Self-taught and extremely competent, Andy is a developer with a 25-year history of working at banks and companies like Openlink financial.

TEAM

FIRST GLOBAL CREDIT MANAGEMENT TEAM

GAVIN SMITH

CEO First Global Credit

MARCIE TERMAN

COO AND FOUNDING DIRECTOR, FIRST GLOBAL CREDIT

Marcie spent 15 years as a news editor at PBS's NewsHour before moving to London to work at a financial service company. At Allegiance Global Investments Terman became a licensed Commodity Trading Advisor (CTA) and headed the communications arm of the company. She has run businesses since she started her first company in 1990.

JON MATONIS

BOARD ADVISOR

Founding director of the Bitcoin Foundation, writer and speaker at many international blockchain events. Jon is a seminal force in the blockchain community and works hard to drive the adoption of public blockchain to mainstream industries.

JOE BELMONTE

MARKETING DIRECTOR

Joe holds a master's degree in Advertising from Northwest University and had a stellar career as a C grade executive at a number of international advertising firms. He has had a successful career managing international brands for dozens of companies that have become household names.

APPENDIX A – TRADING MODEL

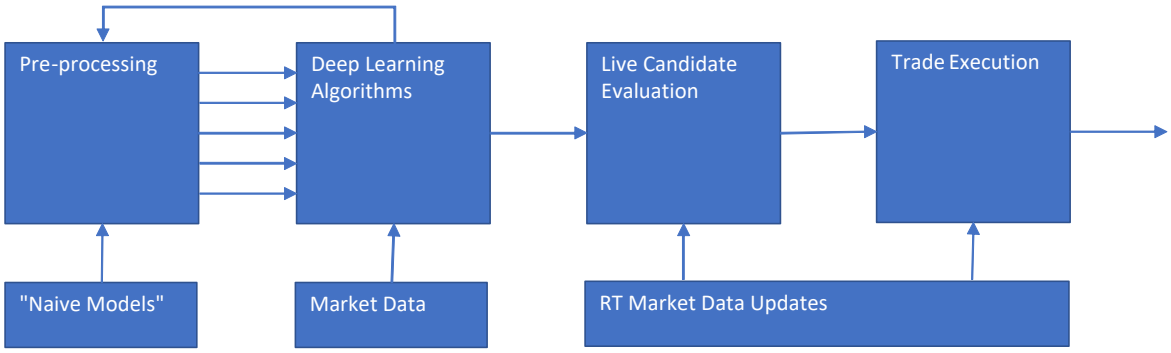
INTRODUCTION

When designing an AI solution to trade cryptocurrency markets we imposed some key design requirements on the models, which we believe are critical to utilising AI to profitably trade. These are:

1) Adaptability. Any solution must evolve over time. Financial markets are not static. The factors that impact performance change over time and the mathematical characteristics of a market will change as well – sometimes rapidly. Any solution must be capable of adapting, and sometimes radically changing the model to track changes in the market as they are happening.

2) Robustness. The models must be robust and not over-optimised to a market or specific market condition. This creates some interesting conflicts between requirement 1 (adaptability) and requirement 2 (robustness). The development strategy must be designed so that the fitness function considers not just performance but consistency. Any indication of over-fitting or over-optimisation needs to be identified and rectified.

3) Ability to bootstrap with limited trade history. By working with an exchange, we have had access to a significant amount of anonymized trade data but this alone is insufficient to give the history required to analyse trade opportunities and identify the best way to create a profitable outcome. To overcome this limitation, we created significant trade history using “naïve” standard trading models and indicators. In the first instance the AI models were set the task of “beating” the static indicators. Instead of trying to learn from first principles, the models were targeted with improving upon an existing trade set. By starting with a “simpler” problem to solve, the model learning could be begun successfully. We then extended this approach to improve upon some of the learned models building layer upon layer of expertise.



ARCHITECTURE

The central engine of the AICOIN model is the deep learning algorithm that learns the key characteristics to profitably trade the cryptocurrency markets; but this is only one part of the whole. The AICOIN trading model, in its entirety consists of four parts:

- Pre-processing to generate model ideas and structure
- Deep Learning training module
- Live Candidate Evaluation
- Trade Execution

These four elements work together to make the entire solution effective and scalable as the funds traded by the model increases.

Step 1. Pre-processing.

The pre-processing stage is driven by genetic algorithm based models. We start with a large population that sets the "DNA" for the models that are then trained. This DNA controls the structure of the deep learning network, the learning parameters, the iteration count / early stopping criteria and the inputs to the model (what price series to include, which static models to use etc.)

There are some unique twists we have added to the modelling to make it more suitable for our purposes, gender and mutation.

The entire population is split 50:50 "male" and "female". The elements of the DNA for both genders are identical but there is a difference in the Fitness Function for male and female models when we rank the models for fitness to produce offspring.

This difference in fitness function prevents the models from a tendency to cluster around a single "strong" candidate. This is critical for our domain space, as the population must maintain diversity to support Key Requirement 1 – the ability to adapt as market conditions change.

Mutation is used, again, to prevent a stale population with all parameters in a similar range but we have extended this to the model inputs. The model can combine models as part of its DNA structure. Over time this will lead to entirely new static models being evaluated by the model and included in the population if found to be successful.

Step 2. Deep Learning Algorithm.

Rather than re-invent the wheel we have utilised TensorFlow, a set of deep learning libraries developed by Googles Machine Intelligence research organization. The libraries are optimised to run on NVIDIA GPUs allowing incredibly efficient learning runs to be executed on large amounts of data and complex models.

We designed the control software to run multiple models in parallel against a bank of NVIDIA cards to power through the entire population rapidly and generate new candidate models.

The models learn using the criteria controlled by the Genetic Algorithms, elements of the model evolve their own unique set of characteristics that make them unique amongst the trained models.

Step 3. Live Candidate Evaluation.

With any deep learning implementation, one of the key control points is preventing "over-fitting" to the presented example cases. The models, if care isn't taken, can go beyond learning the characteristics of a market and instead "memorize" the market behaviour and recall perfectly what has happened in the past but have no valid model to project forward and trade markets profitably. There are two ways to overcome this problem. One approach is to analyse the degrees of freedom in the model structure to try to limit the model to a complexity that is appropriate to the data available for learning. The alternative approach, and the one that we use, is to let the GA models present a very large number of candidate models. We then use live trading data to eliminate models where the live results do not match historical expectation. Unless a model has similar return characteristics on live trading as in the learnt data it is discarded. We believe the power of the Genetic Algorithm's to evolve to the correct learning characteristics far outweighs the ability for any group of people to analyse the structure manually and determine the best network structure.

Step 4. Market Execution.

The result of Step 3 will be a set of live models that are the best candidates at any point in time. These candidates evaluate live market data 24x7 and execute orders automatically to take advantage of opportunities it identifies in the marketplace. We have integrated the model with First Global Credit's automated hedging engine to enable safe automatic order execution, also to allow the model to trade in size in relatively illiquid markets.

This engine has access to multiple exchanges with trading capability on all of them. Rather than placing the entire order at once on a single exchange, the model will gradually feed orders into the market across multiple exchanges. It will start with the optimum exchanges (if placing sell orders, then using exchanges that have the highest prices) and start selling on these exchanges. As the price starts to fall below other exchanges then the model will switch to the new "best" exchanges by continually switching and selling relatively small parcels the hedging engine will both achieve the optimum execution price and ensure that the action of the bot doesn't have a detrimental impact on the market as a whole.

SUMMARY

By combining proprietary software with the power of Googles Tensorflow, we have produced an architecture that is both innovative and robust. Our unique combination of Genetic Algorithms for structure and control with Deep Learning technology for specific learning and model development has created a solution that meets the key design requirements stated at the outset.

By delivering on these design requirements we have a solution that is not only effective now but has the capability to remain profitable in the future, adapting as conditions in the market change and learning to take advantage of new opportunities as they present themselves.

Finally, by making the trading entirely automated, integrating with a hedging solution that controls the execution and risk we can operate in a truly 24x7 manner, taking advantage of opportunities whenever they present themselves providing an excellent environment for token holders to ultimately profit.

AICOIN